



DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Enhanced Transparency and Access to Information for Refund Requesters in the Automated Commercial Environment

AGENCIES: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that U.S. Customs and Border Protection (CBP) is making available a new report in the Automated Commercial Environment (ACE). ACE account users will have the option to electronically view and track their outstanding refund status and history for all refunds processed after the deployment date.

DATES: CBP will deploy the new Refunds ACE Report on August 29, 2022.

ADDRESSES: Comments concerning this notice may be submitted at any time via email to the ACE Collections Team, Investment Analysis Office, Office of Finance, U.S. Customs and Border Protection, at ACECollections@cbp.dhs.gov, with a subject line identifier reading “ACE Collections Refund Release.”

FOR FURTHER INFORMATION CONTACT: Steven J. Grayson, Program Manager, Investment Analysis Office, Office of Finance, U.S. Customs and Border Protection, at (202) 579-4400, or steven.j.grayson@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

I. Background

A. Ongoing Modernization of the Collections System at U.S. Customs and Border Protection

U.S. Customs and Border Protection (CBP) is modernizing its collections system, allowing CBP to eventually retire the Automated Commercial System (ACS) and transfer all collections processes into the Automated Commercial Environment (ACE). This modernization effort, known as ACE Collections, includes the consolidation of the entire collections system into the ACE framework, which will enable CBP to utilize trade data from ACE modules, benefitting both the trade community and CBP with more streamlined and better automated payment processes. The new collections system in ACE will reduce costs for CBP, create a common framework that aligns with other initiatives to reduce manual collection processes, and provide additional flexibility to allow for future technological enhancements. ACE Collections will also provide the public with more streamlined and better automated payment processes with CBP, including better visibility into data regarding specific transactions.

ACE Collections supports the goals of the Customs Modernization Act (Pub. L. 103-182, 107 Stat. 2057, 2170, December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act), of modernizing the business processes that are essential to securing U.S. borders, speeding up the flow of legitimate shipments, and targeting illicit goods that require scrutiny. ACE Collections also fulfills the objectives of Executive Order 13659 (79 FR 10655, February 25, 2014), to provide the trade community with an integrated CBP trade system that facilitates trade, from entry of goods to receipt of duties, taxes, and fees.

CBP is implementing ACE Collections through phased releases in ACE. Release 1 was deployed on September 7, 2019, and dealt with statements integration, the collections information repository (CIR) framework, and automated clearinghouse (ACH) processing. *See* 84 FR 46749 and 84 FR 46678 (September 5, 2019). On September 23, 2019, a minor correction was made to the Release 1 notice. *See* 84 FR 49650 (September 23, 2019).

Release 2 was deployed on February 5, 2021, and focused on non-ACH electronic receivables and collections, for Fedwire and Pay.gov, that included user fees, Harbor Maintenance Fee (HMF), and Seized Assets and Case Tracking System (SEACATS) payments. All of the changes in Release 2 were internal to CBP and did not affect the trade community; as such, no notice was published.

Release 3 was deployed on May 1, 2021, and primarily implemented technical changes to the liquidation process, and deferred tax bills, which were internal to CBP. *See* 86 FR 22696 (April 29, 2021). Release 3 also harmonized the determination of the due date for deferred tax payments with the entry summary date, streamlined the collections system, and provided importers of record with more flexibility and access to data when making deferred payments of internal revenue taxes owed on distilled spirits, wines, and beer imported into the United States.

Release 4 was deployed on October 18, 2021, and primarily implemented technical changes to the production and management of the internal CBP processes for supplemental bills, certain reimbursable bills, and non-reimbursable/miscellaneous bills issued by CBP to the public. *See* 86 FR 56968 (October 13, 2021). Release 4 also made available to importers of record, licensed customs brokers, and other ACE account users, an option to electronically view certain, unpaid, open bill details as reports in ACE Reports and adopted a new, enhanced format for the CBP Bill Form.

Most recently, Release 5 was deployed on March 21, 2022, and implemented internal technical changes to the production, tracking, and management of overdue bills and delinquent accounts and the bonds associated with them, including enhancements to the unpaid, open bill details reports in ACE Reports. *See* 87 FR 14899 (March 16, 2022). Release 5 also included a May 1, 2022, delayed deployment of minor modifications to the mailed Formal Demand on Surety for Payment of Delinquent Amounts Due (also informally referred to as the 612 Report) and the ability to electronically view 612 Reports in ACE Reports.

As explained more fully below, Release 6 will be deployed on August 29, 2022. Release 6 focuses on the management of refunds, and it includes mainly internal, technical changes to the ability to search, create, and review/certify those refunds. Release 6 also includes enhancements that improve transparency and access to information through ACE for ACE account users who have sought refunds from CBP to view certain information regarding the ACE account user's own refunds. Additional releases for ACE Collections will follow, and any further changes affecting the public will be announced by notice in the *Federal Register*, as needed.

B. Overview of CBP's Refund Process

CBP is authorized to collect duties, taxes, and fees from customs activities. *See generally* 19 U.S.C. 58a, 58b, 58b-1, 58c, 1505; 26 U.S.C. 4461. Pursuant to 19 U.S.C. 1505(a), importers of record are required to deposit with CBP the amount of duties and fees estimated to be payable for imports. CBP is also required to collect any increase or refund any excess deposits of duties and fees, with interest, as determined at the time of liquidation or reliquidation. *See* 19 U.S.C. 1505(b)–(c). CBP has additional and more specific authority to refund duties or other receipts for excess deposits; fees, charges, and exactions; fines, penalties, forfeitures; and deposits made prior to liquidation. *See* 19 U.S.C. 1520. Certain other statutes also provide CBP with additional, specific authority for refunds associated with necessary repairs (*see* 19 U.S.C. 1466); drawback (*see* 19 U.S.C. 1313); loss, deterioration, or damage (*see* 19 U.S.C. 1563); countervailing duty investigations (*see* 19 U.S.C. 1671c–1671e, 1677g); and antidumping investigations (*see* 19 U.S.C. 1673c–1673e, 1677g). Finally, 19 U.S.C. 983 outlines the general procedures for returning property seized during civil forfeiture proceedings.

The regulations for processing refunds are contained in part 24 of title 19 of the Code of Federal Regulations (CFR). Specifically, refunds for the overpayment of quarterly payments to express consignment carrier and centralized hub facilities are addressed in 19 CFR 24.23. Refunds associated with harbor maintenance fees are addressed in 19 CFR 24.24. Refunds of

excessive duties, taxes, or interest connected to an entry are addressed in 19 CFR 24.36.¹ Setting off legal claims and judgments against debts owed to the United States for customs-related activities is addressed in 19 CFR 24.72. Specific rules for drawback can be reviewed in 19 CFR part 190 and in 19 CFR part 191 (for certain claims made on or before February 23, 2019). Finally, seized assets, handled under the seized assets and case tracking system (SEACATS), are addressed under subpart H of 19 CFR part 162.²

Generally, CBP refunds the overpayment of customs duties, taxes, and fees automatically. However, members of the public can request specific refunds through written or electronic requests, depending upon the type of refund sought.³ Regardless of how a refund is requested, the processing aspects of all refund requests are handled the same way. Refund requests are initially processed by CBP and then processed by the U.S. Department of the Treasury (Treasury) prior to disbursement, if the request is valid. Generally, refunds are dispersed as checks to the address designated on CBP Form 4811 (Special Address Notification) on file with CBP for the specific requester or request.⁴ Members of the public who have signed up to use ACH Refund and do not submit a CBP Form 4811 with an entry, or a refund request, will receive electronic disbursements of valid refunds to the account and location designated in ACH Refund.⁵

II. Availability of an Option for Electronic Viewing of Refund Status and History in ACE

Currently, members of the public are not informed of the status of their refunds while CBP and Treasury are processing the refund. CBP's deployment of Release 6 will enable ACE

¹ Additional unique interactions between refunds of duties, taxes, fees, or interest and the calculation of the accrual of interest are addressed in 19 CFR 24.3a.

² For more information concerning SEACATS please visit <https://www.dhs.gov/publication/dhscbp pia-040-seized-assets-and-case-tracking-system?msclkid=330e2440d06311ec895071ecc7b3bd6b>.

³ For example, certain requests can be mailed to the Revenue Division/Attention: Reimbursables, 6650 Telecom Drive, Suite 100, Indianapolis, Indiana 46278. Electronic requests are made and processed through the specific CBP-authorized electronic data interchange system designated for the refund. For example, modernized drawback claims may be requested within ACE and seized assets are processed in SEACATS.

⁴ CBP Form 4811 may be electronically accessed at <https://www.cbp.gov/document/forms/form-4811-special-address-notification>.

⁵ For additional information about ACH Refund, including how to sign-up and when to expect electronic refund, see <https://www.cbp.gov/trade/automated/ach/refund>.

to pull, organize, and process data elements into a report that displays refund status and details, which an ACE account user may view in ACE Reports for certain information regarding its own refunds. After refunds are processed by CBP, the same refund data will appear in a consolidated format, the Refund ACE Report, alongside all other outstanding refunds attributed to the same refund identification number and payee identification number.⁶

Within a business day after initial processing of refund data by CBP, including review and certification by CBP and transfer to Treasury for processing, ACE will reproduce the refund data in the corresponding Refund ACE Report. For each ACE account user, the report will include a summary of the total number of outstanding refunds requested, the total dollar amount requested in all outstanding refunds, and a consolidated table of all outstanding refunds and relevant data for the ACE account user's own refunds. The data elements appearing in the consolidated table will include:

- the specific refund's identification number;
- the requester's refund identification number;
- the requester's name;
- whom the refund will be in the care of, if applicable;
- the address the refund will be sent to;
- the date the refund request was made;
- the status of the refund in processing;
- the type of refund requested;
- the number of the document that produced the refund;⁷
- the total amount sought in the specific refund request;

⁶ The refund identification number is an ACE-specific number created for a refund requester the first time the requester requests a refund. CBP uses the refund identification number to track all refund requests made by the requester. The payee identification number is an importer's identification number, an employer's identification number, or an individual's social security number.

⁷ This number can be associated with many CBP forms, such as CBP Form 7501, Entry Summary; CBP Form 368, CBP Collection Receipt Form; or the CBP Bill Form.

- the check or ACH Trace number the refund will be disbursed through;
- whether the refund will be disbursed through ACH;
- the Center of Excellence and Expertise (Center) associated with the refund;
- the team associated with the refund; and
- the port code associated with the refund.

The report will only display outstanding and dispersed refund data, processed by ACE, after the deployment date. Refund data will not be removed from the report after the corresponding refund has been dispersed. As of now, refunds put into process before the deployment date of August 29, 2022, will not appear in the Refund ACE Report.

The outstanding refunds and historical details will be viewable only in ACE Reports. It is important to note that CBP will continue its current processes for communicating refund statuses and disbursements through physical mailings; however, members of the public that have signed up for ACH Refund will receive electronic communications. These physical mailings (for refunds via U.S. Treasury checks) and electronic communications (for ACH Refunds) will remain the primary source of legal notice. Information and data that appear in those communications will supersede the data elements that appear in ACE Reports and the public should continue to consult the physical mailings and electronic communications to ensure the proper processing of refunds. Furthermore, nothing in this document will change the specific timeframes within which the public is required to request refunds, such as the five-year period for drawback claims, nor does the document change the timeframes within which CBP is required to respond to refund requests.

Only members of the public who have an ACE Portal account can view their refunds report in ACE Reports. CBP encourages members of the public (including, but not limited to, importers of record and licensed customs brokers) who do not already have an ACE Portal account to apply for access to be able to view the new report.⁸ CBP will provide any needed support for setting up ACE Portal accounts. The public may access the ACE Reports application through the ACE Secure Data Portal at <https://ace.cbp.dhs.gov>.⁹ Within ACE Reports, an ACE account user may access the Refund ACE Report for its own refunds in the Workspace Module.¹⁰

Dated: August 5, 2022.

Crinley S. Hoover
Acting Chief Financial Officer
U.S. Customs and Border Protection.

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⁸ The step-by-step instructions to apply for an ACE Portal account are available online at <https://www.cbp.gov/trade/automated/getting-started/portal-applying>.

⁹ For more information about accessing, navigating, and personalizing ACE Reports, please review the ACE Reports Trainings online at <https://www.cbp.gov/trade/ace/training-and-reference-guides>.

¹⁰ The Workspace Module is a window in ACE Reports that provides ACE account users access to their standard reports categorized by subject area (such as Cargo Release, Entry Summary, Manifest, etc.) and includes a navigation list (a folder structure of standard reports) and a viewer that displays the report selected. For additional information about the Workspace Module, please consult the specific ACE Report training at <https://www.cbp.gov/trade/ace/training-and-reference-guides> or the quick reference card at <https://www.cbp.gov/document/guidance/ace-reports-qrc-navigating-workspace-module>.